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5 Attorneys for Creditor,
Stanley Consultants, Inc.

8
UNITED STATES BANKRUPTCY COURT
 9
DISTRICT OF NEVADA

10
 11 In re
 12 THE RHODES COMPANIES, LLC,
 13
 14 Debtor.

Case No. BK-S-09-14814-LBR

Chapter 11

**STANLEY CONSULTANTS, INC.'S
 OBJECTION TO THE FIRST LIEN
 STEERING COMMITTEE'S PROPOSED
 FINDINGS OF FACT, CONCLUSIONS OF
 LAW, AND ORDER CONFIRMING THE
 FIRST LIEN STEERING COMMITTEE'S
 THIRD AMENDED MODIFIED PLAN
 (DOC 1026)**

15 Affects:
 16 All Debtors
 Affects the following Debtor(s),
 17 Apache Framing, LLC
 Batcave, LP
 Bravo, Inc.
 Chalkline, LP
 Elkhorn Partners, a Nevada LP
 18 Geronimo Plumbing, LLC
 Glynda, LP
 20 Gung-Ho Concrete, LLC
 Heritage Land Company LLC
 21 Jackknife, LP
 Overflow, LP
 22 Parcel 20, LLC
 Pinnacle Grading, LLC
 23 Rhodes Homes Arizona, LLC
 Rhodes Arizona Properties, LLC
 24 The Rhodes Companies, LLC
 Rhodes Ranch Golf Country Club, LLC
 25 Rhodes Ranch General Partnership
 Six Feathers Holdings, LLC
 26 Tribes Holdings, LLC
 Tick, LP
 27 Tuscany Golf Country Club, LLC
 Wallboard, LP

1 Stanley Consultants, Inc. objects to the First Lien Steering Committee's Proposed Findings
 2 of Fact, Conclusions of Law, and Order Confirming the First Lien Steering Committee's Third
 3 Amended Modified Plan filed on February 19, 2010 (Doc 1026), attaching as Exhibit A, a revised
 4 Third Amended Modified Plan ("Revised Plan"), pursuant to Local Rule 9021(A)(3).

5 As an initial matter, Stanley notes that it filed an Objection (Doc 1015) to the First Steering
 6 Committee's Third Amended Modified Plan (Doc 1013), filed on February 18, 2010; no proposed
 7 order was filed by the First Lien Steering Committee in conjunction with the Third Amended
 8 Modified Plan. *See Doc 1013.* On February 19, 2010, the First Lien Steering Committee filed its
 9 Reply to Stanley's Objection (Doc 1019) and filed the subject Proposed Findings of Fact,
 10 Conclusions of Law, and Order Confirming the First Lien Steering Committee's Third Amended
 11 Modified Plan (Doc 1026). Attached as Exhibit A to the Proposed Order is a revised Third
 12 Amended Modified Plan that incorporates some but not all of Stanley's objections to the Third
 13 Amended Plan. *See First Lien Steering Committee's Reply to Stanley's Objection to Third
 14 Amended Modified Plan (Doc 1019).*

15 As such, Stanley incorporates by reference its previous Objections to the First Lien
 16 Steering Committee Third Amended Modified Plan (Doc 1015), reasserts those objections as well
 17 as the below objections to Exhibit A to the Proposed Order (the revised Third Amended Modified
 18 Plan) based upon the following provision in the Revised Plan attached as Exhibit A to the
 19 Proposed Order:

20 "The Arizona Assets include certain intellectual property in which Stanley Consultants,
 21 Inc. has alleged a property interest. Notwithstanding the fact that the Arizona Assets include such
 22 intellectual property, the Debtors shall not be permitted to transfer or sell any intellectual property
 23 in which they do not have an ownership interest." *Order, Exhibit A, Third Amended Plan, Art. IV,*
 24 *§U, at 34 (last paragraph).*

25 First, Stanley objects to this language because, as drafted, the language appears to state that
 26 the Arizona Assets includes Stanley's intellectual property rights. The language is ambiguous.
 27 Stanley requests the revised Plan clearly state that Stanley's intellectual property rights are not
 28 included in the Arizona Assets. Stanley proposes that the language be revised to: "The Arizona

1 Assets do not include any intellectual property rights in which Stanley Consultants, Inc. has
 2 alleged a property interest.”

3 Second, Stanley’s intellectual property rights include not only engineering plans that
 4 Stanley prepared and copyrighted, but also subsequent plans, drawings, work product prepared by
 5 third parties that relied upon and/or used Stanley’s intellectual property. In seeking clarification as
 6 to what intellectual property is to be included in the “Arizona Assets”, Stanley requested that the
 7 First Lien Steering Committee identify the intellectual property to be included in the Arizona
 8 Assets. *See Stanley’s Objection (Doc 1015), exhibit 1.* Stanley’s concern arose upon the First
 9 Lien Steering Committee forwarding to Stanley a proposed list of the “Arizona Assets” (“Arizona
 10 Assets List”), attached hereto as Exhibit 1 (“Arizona Assets”). The proposed Arizona Assets
 11 include such “Intangibles” as “All architectural and engineering drawings, plus work product
 12 associated with Pravada and Golden Valley Ranch.” *Id., at 3.*

13 Rather than disclosing what constituted the “engineering drawings plus work product
 14 associated with Pravada and Golden Valley Ranch”, the First Lien Steering Committee elected to
 15 withdraw the proposed Arizona Asset List, opting to replace it with the following language in
 16 Exhibit A: “Approximately 1,400 acres of land in Arizona, including four model homes, four
 17 partially-completed homes, and miscellaneous office equipment and other items of personal
 18 property including certain intellectual property.” *See Order, Exhibit A, Revised Plan, Art. I, §A,*
 19 *Item #7, Arizona Assets Definition, p. 3.*

20 The First Lien Steering Committee’s withdrawal of the Arizona Assets List and
 21 substitution of the above language does not solve the fundamental problem that Stanley’s
 22 intellectual property may be included in the Arizona Assets given that:

23 (1) Stanley prepared engineering drawings and work product associated with Pravada
 24 and Golden Valley Ranch and Stanley owns that intellectual property work. As the Court is
 25 aware, Stanley has objected, repeatedly, to any of its intellectual property work being included in
 26 the Arizona Assets, providing the Court with Stanley’s Copyrights as an exhibit to Stanley’s
 27 Objection to Disclosure Statement (Doc 975). Thus, the Arizona Assets appears to include
 28 Stanley’s intellectual property.

1 (2) Stanley is concerned that the Rhodes Entities had third parties use Stanley's
2 intellectual property to prepare follow-up plans and work product associated with Pravada and
3 Golden Valley Ranch. If so, then Stanley's intellectual property rights extend to that third party
4 work.

5 Consequently, Stanley requests that the Court order that all of the engineering drawings/
6 plans/work product that are to be included as intellectual property of the Arizona Assets be fully
7 and specifically disclosed so that Stanley can determine whether any of its intellectual property
8 rights are going to be transferred as part of the Arizona Assets. Given the uncertainty that exists
9 with respect to what intellectual property rights are included within the Arizona Assets, the
10 Exhibit A to the proposed Order are inadequate and ambiguous.

11 Finally, Stanley further objects to the Order attaching the Revised Plan as it still does set
12 forth the parcels to be included in the Arizona Assets. Stanley performed services relating to
13 different parcels in Arizona.

For the above reasons, Stanley objects to the proposed Order based upon Exhibit A to the Order, the revised Third Amended Modified Plan.

February 23, 2010

Respectfully submitted,

ANDERSON, McPHARLIN & CONNERS LLP

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CERTIFICATE OF SERVICE VIA ELECTRONIC MAIL

I am employed in Clark County. I am over the age of 18 years and not a party to this action. My business address is Anderson, McPharlin & Conners LLP, 777 North Rainbow Boulevard, Suite 145, Las Vegas, Nevada 89107.

I hereby certify that on this 23rd day February 2010, I did serve, via Electronic Mail by the ECF system (a copy of the U.S. Bankruptcy Court's ECF service list is attached), a copy of the above and foregoing **STANLEY CONSULTANTS, INC.'S OBJECTION TO PROPOSED FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER CONFIRMING THE FIRST LIEN STEERING COMMITTEE'S THIRD AMENDED MODIFIED PLAN (DOC 1026)** as follows:

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300 Las Vegas Boulevard South, Suite 4300
Las Vegas, NV 89101

I declare under penalty of perjury that the foregoing is true and correct. Executed this 23rd day of February, 2010.

JULIE A. GARCIA
Employee of ANDERSON MCPhARLIN & CONNERS LLP